



TECHNOSERVE
BUSINESS SOLUTIONS TO POVERTY



This is where
change begins.

TECHNOSERVE
PROGRESS REPORT
2013





It begins with a smallholder coffee farmer in Kenya. Or an aspiring entrepreneur in Nicaragua. Or a cashew processing plant in Mozambique.

This is where change begins. The farmer improves the quality of her coffee and doubles her income. The entrepreneur launches a business that creates economic opportunities in his community. The factory buys from local farmers and offers hundreds of workers their first formal job.

TechnoServe helps create this type of transformation. Our work is rooted in the idea that given the opportunity, hardworking men and women in even the poorest places can generate income, jobs and wealth for their families and communities.

Our origin traces back to the village of Adidome, Ghana. In 1963, our founder Ed Bullard traveled there with his family for a year of volunteer service.

Ed was captivated by the spirit and character of the Ghanaian people. But he was appalled by the depth of poverty that surrounded him. A businessman, Ed understood that the contrast between this poverty and his own prosperity came not from any innate difference between himself and a poor Ghanaian farmer.

Instead, the people he saw struggled because they lacked the knowledge, skills and tools needed to lift themselves out of poverty. So in 1968, Ed launched TechnoServe — short for “technology in the service of mankind.” He envisioned TechnoServe as a different type of nonprofit, one that would help poor people by connecting them to information and market opportunities.

Today, TechnoServe works with enterprising people in the developing world to build competitive farms, businesses and industries. We have worked in more than 40 countries across Africa, Latin America and Asia, assisting thousands of businesses and transforming an estimated 10 million lives.

True to Ed’s vision, we provide business solutions to poverty by linking people to information, capital and markets. With more than four decades of proven results, we believe in the power of private enterprise to transform lives.

TechnoServe helps grow strong markets that create opportunities for poor people. Our programs:

DEVELOP CAPACITY We help individuals and communities acquire skills, share knowledge and apply the technologies needed to build successful farms and businesses.

STRENGTHEN MARKET CONNECTIONS We coordinate among industry players and connect emerging businesses and farms to capital, networks and suppliers.

IMPROVE THE BUSINESS ENVIRONMENT We encourage self-sustaining economic activity by addressing the policies, information and incentives that help markets function better.

Our teams combine world-class business expertise with local knowledge, relationships and context. We take a flexible approach to problem solving, learn from our experiences and innovate in support of our mission.

We understand that the transformation we seek is too great to bring about on our own. So, we strive to be a catalyst and partner at all points in competitive markets, working with a range of stakeholders to jumpstart widespread change that lasts long after TechnoServe exits. We are scaling up our efforts in order to respond to the daunting challenge of global poverty.

TechnoServe aims to build lasting solutions in all that we do. Our work helps poor people not only to increase their incomes, but to recover from setbacks using their new skills and knowledge. The benefits of this type of development ripple through families and communities, promising a better future for people facing poverty.

ON THE COVER TechnoServe business advisor Joel Kakaire (left) talks with farmers Joy and Samuel Baale in eastern Uganda.

ABOVE Workers sort through coffee cherries at a processing plant in central Kenya.

“TechnoServe gave us a new technology, a new way to grow maize,”

Eshetu Abote says. “If it increases our production, we will adopt and expand these practices.”



Africa: Food Crops

Cultivating a New Approach to Staples

As Eshetu Abote, a member of the Shegole coffee farming cooperative in western Ethiopia, crouches near his maize (corn) crop, the difference is apparent. The shorter plants — cultivated using traditional methods — barely reach his shoulder. The taller plants were grown during monthly training sessions delivered through TechnoServe’s Coffee Initiative.

A SUCCESSFUL FARM

This maize was intercropped with beans, which provide nitrogen to the soil. The plot was weeded regularly and fertilizer was applied at the bottom of correctly spaced holes. These measures have helped boost productivity on the demonstration plot, where local farmers see firsthand the impact of their work.

Eshetu, like other members of the cooperative, sells his coffee for income while growing maize mainly for household consumption. But productivity is low, and many farmers in the area remain net buyers of maize because of low-quality seeds, nutrient-deficient soil and poor pest and disease management.

As part of the Coffee Initiative, funded by the Bill & Melinda Gates Foundation, Eshetu and thousands of other Ethiopian farmers are learning farming and business skills that will help them increase production of both food and cash crops. TechnoServe believes that a successful farm should be an integrated and diversified system, where multiple crops help to ensure food security, maximize income and manage risk.

IMPROVING BUSINESS MODELS

Many smallholder farmers grow staple crops such as maize, rice and beans for subsistence. But with higher

productivity, a business mindset and an accessible market, these crops can offer an income opportunity as well. As we focus on improving practices at the farm level, we are also promoting improved business models across entire sectors — from the field to the end consumer. For example:

- In Mozambique, with support from the Dutch Government, we are working to transform the seed system by empowering local entrepreneurs and small-scale commercial farmers. This effort will help 3 million smallholder farmers to determine the right production strategy for their circumstances.
- With support from the Alliance for a Green Revolution in Africa (AGRA), TechnoServe is helping to build a sustainable warehouse system that gives farmers a choice to sell or store their crops. Our efforts will assist 20,000 smallholder maize and rice farmers in Tanzania to reduce their post-harvest losses and operate their farms as a business.
- TechnoServe is working with Partners in Food Solutions — a nonprofit that draws on the expertise of volunteers from General Mills, Cargill and DSM — and the U.S. Agency for International Development across several African countries to strengthen the food processing industry, a critical market for smallholder-grown staple crops.

These efforts show that staple crops can offer more than just subsistence for smallholder farmers. When the entire market system is strengthened, these crops can provide income, create jobs and improve food security for families.

Program Highlights

HAITI

Credit Brings Hope to Mango Farmers

Mango farmers often feel pressure to sell their fruit before it is ripe, sacrificing much of its value. The Haiti Hope Project — a partnership to help 25,000 farmers double their fruit income — is helping to find a solution. Haiti Hope brings together public and private partners, including the U.S. Agency for International Development; The Coca-Cola Company; the Multilateral Investment Fund, a member of the Inter-American Development Bank Group; and TechnoServe. The project is partnering with local financial institution Sogesol to implement a loan program for farmers, who are largely excluded from the Haitian financial system. Some 1,400 farmers have received loans, and the program aims to enroll 7,500 borrowers by 2015.

CENTRAL AMERICA

Smallholder Farmers Reach New Markets

TechnoServe is helping smallholder Central American farmers increase their incomes, with support from the U.S. Department of Agriculture. In Honduras, we are helping 9,000 farmers learn improved techniques and connect to better markets for beans and specialty coffee. The program will promote sustainable access to quality bean seeds by helping farmers establish community seed banks. In Nicaragua, TechnoServe is assisting 4,000 producers of livestock — which more than half of rural Nicaraguans depend on for their livelihoods — to improve milk quality, cow reproductive rates and recordkeeping. We are helping more than 19,000 producers to implement traceability systems that will allow them to reach new markets.

CENTRAL AMERICA/ WEST AFRICA

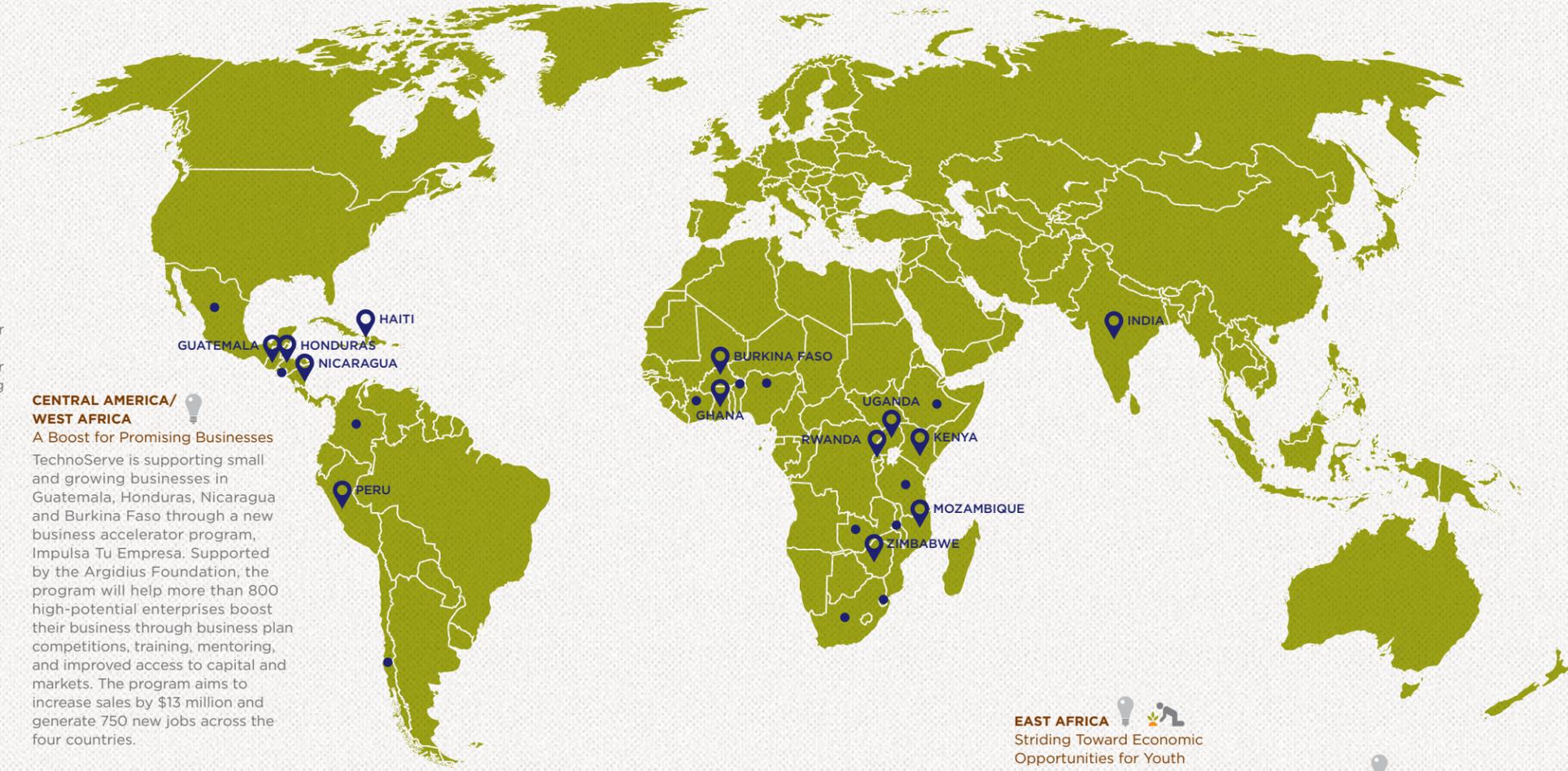
A Boost for Promising Businesses

TechnoServe is supporting small and growing businesses in Guatemala, Honduras, Nicaragua and Burkina Faso through a new business accelerator program, Impulsa Tu Empresa. Supported by the Argidius Foundation, the program will help more than 800 high-potential enterprises boost their business through business plan competitions, training, mentoring, and improved access to capital and markets. The program aims to increase sales by \$13 million and generate 750 new jobs across the four countries.

PERU

Sustainable Support for Farms and Businesses

With support from the U.S. Agency for International Development, TechnoServe is helping cocoa and coffee farmers in San Martín to increase productivity, improve the quality of their crops and adopt processes to add value, such as organic certification. Our advisors also are promoting small business growth in these industries. Critically, we are transferring our proven methodologies for farmer training and enterprise development to local institutions. This ensures the industries will continue to evolve and improve after TechnoServe exits.



GHANA

Higher Yields, Higher Incomes from Maize

TechnoServe is collaborating with agricultural firm Wienco and the Masara N'Arziki Association to help 24,000 smallholder maize farmers in northern Ghana triple their yields and increase their incomes. Organized into farmer business groups, the participants receive targeted training in farming and business skills. The program aims to develop the maize market system by improving access to critical supplies, facilitating credit, increasing productivity and connecting farmers to new markets.

EAST AFRICA

Striding Toward Economic Opportunities for Youth

In East Africa, where the average age is 18 and youth unemployment is a major issue, young people often lack the skills and knowledge to unlock economic opportunities. TechnoServe has partnered with the MasterCard Foundation to help 15,000 rural young men and women transition to economic independence in Kenya, Rwanda and Uganda. The Strengthening Rural Youth Development through Enterprise (STRYDE) program delivers a comprehensive package of services including skills training, business development and mentoring. The confidence and knowledge participants gain from STRYDE helps them identify and capitalize on opportunities.

UGANDA

Learning Lessons with Enterprising Women

The Women Mean Business program aims to empower women in Uganda's Central region with the knowledge and skills they need to grow thriving businesses. Now, in the program's second phase, TechnoServe is working to understand how best to support enterprising women. In partnership with Innovations for Poverty Action, we are measuring the impact of an in-depth approach that combines classroom instruction with intensive coaching and mentoring. The study will help TechnoServe and others understand how to achieve the greatest impact and cost effectiveness.

ZIMBABWE

Innovations Represent Agriculture's Future

Zimbabwe's smallholder farmers face challenges in accessing finance and markets. A TechnoServe business plan competition, Agro Initiative Zimbabwe, aims to boost the country's agricultural sector by supporting medium-size businesses with innovative ideas for including smallholder farmers in their supply chains. We have awarded capital prizes to 12 promising businesses, and our business advisors are helping these firms to implement models such as contract farming or outgrower systems that create opportunities for small-scale farmers. These businesses are a catalyst for transforming agriculture in Zimbabwe.

MOZAMBIQUE

Integrated Rural Development Creates Broad Change

An industry can drive change on a large scale. TechnoServe is supporting the development of a competitive and environmentally sustainable plantation forestry sector that will bring a range of benefits to rural areas. With support from the U.S. Department of Agriculture, we are working with seven forestry companies that plan to plant 2.5 million acres of trees and employ more than 100,000 workers in Mozambique. Through an integrated approach to rural development, we also aim to transform 10,000 subsistence farmers into commercial farmers, promote investment in the grain and poultry industries, and develop the capacity of local governments to catalyze economic development.

WHERE WE WORK

Active Countries

Benin	Malawi
Burkina Faso	Mexico
Chile	Mozambique
Colombia	Nicaragua
Côte d'Ivoire	Nigeria
El Salvador	Peru
Ethiopia	Rwanda
Ghana	South Africa
Guatemala	Swaziland
Haiti	Tanzania
Honduras	Uganda
India	Zambia
Kenya	Zimbabwe

Emerging Countries

Brazil
Morocco
South Sudan

Headquarters

Washington, DC

INDIA

New Opportunities for Tibetans in Exile

Tibetans living in exile in India and Nepal face major economic challenges, including a lack of employment opportunities and a growing number of people moving away from settlements. The Economic Development of Tibetan Settlements (EDOTS) program is creating sustainable livelihood opportunities by promoting competitive farms and businesses. With support from the U.S. Agency for International Development, TechnoServe is training farmers in organic production and helping to improve supply chains for organic crops. The program also provides training and support to 60 entrepreneurs, along with skills training to help 570 young Tibetans find work.



HAITI
Farmers in Gros Morne receive loans through the Haiti Hope Project.



PERU
TechnoServe is supporting businesses across the cocoa value chain in San Martín.



GHANA
Salima Alidu harvests maize in northern Ghana, where farmers are learning new skills.



EAST AFRICA
In Rwanda's Ruhango district, young people attend a classroom session through the STRYDE program.



UGANDA
Paper Craft Africa has grown and hired new staff after participating in Women Mean Business.



INDIA
TechnoServe business advisor Sunanda Madan holds a mentoring session with Tibetan entrepreneurs.



Lessons Learned

LOOK FOR TALENT

Entrepreneurial ability, not knowledge, is the best predictor of business growth. We are incorporating a test for entrepreneurial talent into our selection process.

IT'S ABOUT ACCESS

Most entrepreneurs cite access to capital as a significant obstacle. TechnoServe helps entrepreneurs figure out their financial needs and negotiate with potential sources of funding. We also place an emphasis on helping businesses access markets for their goods.

PARTNER FOR SHARED VALUE

Corporations such as Cargill, SABMiller and Anglo American are contributing more than just money to our enterprise development programs — they're sharing the expertise of their employees and incorporating small businesses into their supply chains. This support strengthens the communities where these businesses operate.

Latin America and the Caribbean: Enterprise Development Small Businesses, Big Impact

Jeannette Severino's business was born from an unlikely opportunity. Her children were tall and skinny, so she was constantly tailoring their school uniforms. When a bout with cancer drained her family's savings, she saw that she could earn a living by offering the same service to others. So she launched the uniform business J&J Confecciones from her home in Santiago, Chile.

In 2009, Jeannette (above left, with TechnoServe's Corina Rivas) entered Idea Tu Empresa, a regional business plan competition run by TechnoServe. Through trainings and one-on-one consulting, Jeannette developed a plan for growth. TechnoServe's business advisors helped her expand production, improve her marketing and set her business on a sustainable path.

AN ECONOMIC ENGINE

Since participating, she has grown her sales fourfold. Her business has grown from three to 20 employees — mostly young, single mothers and elderly women.

"It's tiring sometimes," Jeannette says, "but I know I have something of my own, something I can share with my family."

Small and growing businesses like Jeannette's can be an economic engine that benefits families and communities. But across Latin America and the Caribbean, enterprising people face a number of constraints — information, business skills, financing and access to markets, to name a few.

From Haiti to Chile, TechnoServe is fostering competitive businesses that generate jobs, income opportunities and

key products and services in poor communities. Our evolving approach to enterprise development aims to identify the most promising entrepreneurs and provide them with seed funding, business plan training and consulting support. We help connect them to markets and sources of financing.

INNOVATION AND CHANGE

We tailor our programs to the needs of individual communities. Our predominantly local teams understand how to foster innovation and change, and how to develop the local institutions needed to support a vibrant private sector. Our staff draws on extensive experience in the private sector to mentor entrepreneurs and catalyze growth. TechnoServe works in partnership with donors, corporations, and local governments and institutions to create a sustainable support system for the private sector.

This approach has generated results. Idea Tu Empresa, for example, helped businesses across six South American countries to increase their sales by 342 percent. These businesses have created 1,735 jobs and accessed more than \$5 million in financing.

As we move forward with our next generation of enterprise development programs in Latin America and the Caribbean, we are continuing to evaluate what works best. Our program Impulsa Tu Empresa, for example, will test different methodologies for entrepreneur selection, training and consulting in order to determine the most effective model.

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